



## Employment Security Commission review under way in House

By RODDIE BURRIS  
Staff Writer

A special House subcommittee began study Tuesday of the embattled South Carolina Employment Security Commission, with plans to have legislation dealing with the agency ready in January.

The seven-member committee, appointed by House Ways and Means Committee chairman Dan Cooper, R-Anderson, is supposed to give the agency that administers the federal unemployment insurance program a top-to-bottom review.

The agency, which currently answers to a three-member commission, also manages the state's largest labor exchange service, gathers employment data and calculates the state's monthly unemployment rate.

"We all understand there is going to be some reform," said Rep. Kenny Bingham, R-Lexington, picked by Cooper to be chairman of the subcommittee. "We need to get a bill out."

The House review comes in the wake of a tumultuous two years which saw the state and national economies plunge into recession, and runaway unemployment benefits claims bankrupt the state's once-soaring, \$1 billion benefits trust fund.

Most recently - amid claims and counter-claims the agency did not do enough to alert lawmakers - the Legislature had to reconvene in October to pass a legislative fix to allow federal extended unemployment benefits to reach the unemployed.

Angered lawmakers have not been shy in calling for the agency to be restructured, though they have been reluctant to put the agency under beleaguered Republican Gov. Mark Sanford's direct authority.

Last month, the Employment Security Commission hired a new interim executive director.

The House committee has been given a wide berth.

Cooper directed the panel to review the commission, its governance of the agency and everything else - from tax structure and benefits, to deficits, programs and streamlining of services.

According to information presented to the committee Tuesday, the unemployment system in South Carolina has a number of structural problems, not the least of which is a low, \$427 annual pay-in to the system for employers, even though a claimant can draw as much as \$326 a week in unemployment benefits.

The ESC told the House committee the state is \$622 million in debt to the federal government for money it borrowed this year to pay unemployment benefit claims, while collections from employers is down 19 percent, due to fewer workers on the payrolls.

The state likely will owe the federal government \$700 million by the end of the year, the ESC said.

The House committee will meet again Dec. 9 and Dec. 17.